

Flextech Media Holdings Limited

Directors' report and financial statements

31 December 1995

Registered number 2678886



Flextech Media Holdings Limited

Directors' report and financial statements

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Flextech Media Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

Principal activities

The principal activity of the company is the holding of shares in its subsidiary undertakings.

Results

The results for the year ended 31 December 1995 are set out on page 4 to the financial statements.

Directors and directors' interests

The directors who held office during the year were as follows:

RDE Luard

M Koppel

SM Brett

AN Singer

None of the directors had any disclosable interest in the shares of the company during the year.

All directors are directors of Flextech p.l.c. Their interests in the share capital of that company and the ultimate parent company are disclosed in the Flextech p.l.c. annual report.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

By order of the board



MW Luiz
Secretary

4th Floor
The Quadrangle
Imperial Square
Cheltenham
Gloucestershire
GL50 1YX

24 October 1996

Flextech Media Holdings Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Auditors' report to the members of Flextech Media Holdings Limited

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

28 October 1996

Flextech Media Holdings Limited

Profit and loss account

for the year ended 31 December 1995

	<i>Note</i>	1995 £	1994 £
Sale of investment	2	28,238	-
Cost of investment		(28,238)	-
		<hr/>	<hr/>
Profit for the year		-	-
Retained profit carried forward		<hr/>	<hr/>

All activities of the current and prior periods relate to continuing operations.

The company had no recognised gains or losses other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

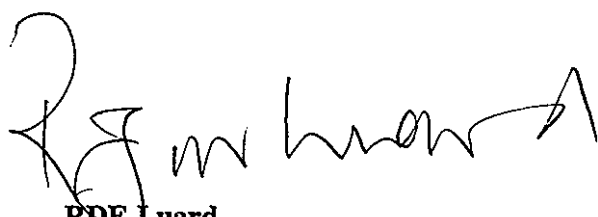
The historical cost result in current and prior years are the same as those reported above.

Flextech Media Holdings Limited

Balance sheet at 31 December 1995

	Note	1995		1994	
		£	£	£	£
Fixed assets					
Investments	2		6,404,545		6,404,545
Current assets					
Debtors: amounts owed by group company	3	2		2	
		2		2	
Creditors: amounts falling due within one year					
Amounts owed to subsidiary undertakings		(8)		(8)	
Net current liabilities			(6)		(6)
Total assets less current liabilities			6,404,539		6,404,539
Capital and reserves					
Called up share capital	4		1,000		1,000
Share premium account	5		6,403,539		6,403,539
Equity shareholders' funds	6		6,404,539		6,404,539

These financial statements were approved by the board of directors on 24/10/96 and were signed on its behalf by:



RDE Luard
Director

Flextech Media Holdings Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Flextech p.l.c. and its cash flows are included within the consolidated cash flow statement of that company.

2 Fixed asset investments

	Loans to group undertakings £	Shares in group undertakings £	Total £
<i>Cost</i>			
At 1 January 1995	-	6,404,545	6,404,545
Additions	28,238	-	28,238
Disposals	-	(28,238)	(28,238)
	<hr/>	<hr/>	<hr/>
At 31 December 1995	28,238	6,376,307	6,404,545
	<hr/>	<hr/>	<hr/>
Shares in group undertakings comprise:			£
Subsidiary undertakings			6,376,307
			<hr/>
Loans to group undertakings comprise:			
Parent undertakings			28,238
			<hr/>

Flextech Media Holdings Limited

Notes (continued)

2 Fixed asset investments (continued)

At 31 December 1995 the company owned the issued ordinary share capital of the following companies.

		Class and percentage of shares held
Flextech Children Channel Limited	England and Wales	Ordinary 100%
Flextech IVS Limited	England and Wales	Ordinary 99%
Flextech Distribution Limited	England and Wales	Ordinary 100%
Flextech Family Channel Limited	England and Wales	Ordinary 100%

All the above companies hold investments in media companies.

During the year, the company sold 10 ordinary shares of £1 in the share capital of Flextech IVS Limited to an intermediate holding company at cost. The consideration was satisfied by means of an unsecured loan note.

Under Section 228 of the Companies Act 1985 the company is exempt from preparing group accounts as it is a subsidiary of Flextech p.l.c., a UK company producing consolidated financial statements.

3 Debtors: amounts owed by group companies

	1995 £	1994 £
Debtors: amounts owed by group companies	<u>2</u>	<u>2</u>

4 Called up share capital

	1995 £	1994 £
<i>Authorised, allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Flextech Media Holdings Limited

Notes (continued)

5 Share premium account

	£
Balance at 31 December 1994 and 1995	<u>6,403,539</u>

6 Reconciliation of movements in equity shareholders' funds

	1995 £	1994 £
Opening and closing equity shareholders' funds	<u>6,404,539</u>	<u>6,404,539</u>

7 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Flextech (1992) p.l.c., a company registered in England and Wales. The largest group in which the results of the company are consolidated is that headed by Tele-Communications Inc., a Delaware (USA) company incorporated in the USA. Copies of Tele-Communications Inc.'s group accounts can be obtained from its registered office, at Terrace Tower 11, 5619 DTC Parkway, Englewood, Colorado, 80111 USA.

The parent company of the smallest group for which consolidated accounts are prepared is Flextech p.l.c., a company registered in England and Wales. Copies of Flextech p.l.c.'s annual report can be obtained from its corporate headquarters at Twyman House, 16 Bonny Street, London, NW1 9PG.